

Employee Retention

Effective Employee Retention is a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs.

Why are we concerned about employee retention now when we are also talking about a reduced state workforce? The reality of hiring freezes and possibly even layoffs during economic slowdowns mean it is critical to focus on retaining and enabling our remaining people to reach peak performance. Lean organizations depend more heavily on individual employees. Current employees have specialized, institutional knowledge.

Also a consideration is the cost of turnover (including hiring costs, training costs, productivity loss). Replacement costs usually are 2.5 times the salary of the individual. The costs associated with turnover may include lost customers, business and damaged morale. In addition, there are the hard costs of time spent in screening, verifying credentials, references, interviewing, hiring, and training the new employee just to get back to where you started.

The Eight Elements of the High-Retention Organization

1. Clear Sense of Direction and Purpose
2. Caring Management
3. Flexible Benefits and Schedule Adapted to the Needs of the Individual
4. Open Communication
5. A Charged Work Environment
6. Performance Management
7. Recognition and Reward
8. Training and Development

From: SAS Institute: A Calm Ship in a Sea of Turbulence

Strategies of a retention plan include:

- **Courtship** - Addressing the initial phase of the relationship, courtship gets you, the department, and your new employee started on the right foot.
- **Coaching** - Building confidence and competence through training, encouragement and education, coaching includes orientating, mentoring, and leading, which are critical to developing long-term loyalty.
- **Communication** - Linking people and tasks together, communication is the open, concise exchange of information that promotes good morale and a feeling of contributing and belonging.
- **Compensation** - Broadly and creatively viewed, compensation to employees comes in many forms above and beyond the rate of pay.
- **Collaboration** - ~~Working together in joint intellectual efforts~~, collaboration creates a sense of connection through shared experiences, responsibility, and success. Developing an employee who feels like a member of the team results in longevity.
- **Commitment** - Demonstrate commitment through empowerment, building trust, frequent feedback, appreciation, recognition, and not taking an employee for granted.
- **Continuous Improvement** - Updating skills, knowledge, and abilities, continuous improvement and employee development help an employee to avoid the possibility of professional obsolescence.